



Service Contract

©2019 Cornerstone Home Warranty
LLC

Cornerstone Home Warranty Terms
and Conditions
PO Box 1163
Carson City NV, 89702
www.CornerstoneHomeWarranty.com

This contract is not valid without an attached and signed Contract Coverage Summary Page

Home Warranty Contract

This Home Warranty Contract is administered and issued by Cornerstone Home Warranty LLC (CHW). Throughout this Contract the words “**You**” and “**Your**” refer to the signed Contract Holder listed on the Contract Coverage Summary page. Throughout this Contract the words “**CHW**” and “**Our**”, refer to Cornerstone Home Warranty LLC. **This is a Home Warranty Contract, not an insurance policy.** During the coverage period, Cornerstone Home Warranty will arrange for our primary contractor (unless otherwise stated) to inspect, repair or replace covered appliances as laid out in your Contract Coverage Summary page, in accordance with your plan’s applicable terms and conditions as listed in this Contract and agreed to by the signed Contract Holder. This Contract is intended to provide assistance with the cost of unexpected repairs and replacements, due to specific types of mechanical breakdown resulting from normal wear and tear for covered appliances. Various provisions within this Contract restrict coverage – Please read the Contract carefully to determine your rights, duties and what is and is not covered.

Your Home Warranty coverage details, effective date and expiration date are shown on your Contract Coverage Summary page.

Your policy must be in effect for thirty (30) days in order for a claim to be filed. Should the claim be filed before the thirty (30) day period, the Contract Holder is responsible to pay the full cost of service, as deductibles will not apply.

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- 1. Homeowner/Buyer/Seller:** This Home Warranty Contract is designed to allow any Homeowner, Buyer or Seller to grant a one-time transfer of service to the new owner of the covered property, should it sell during the contract year.
- 2. Contract Renewal:** The renewal of a previously issued contract will have no lapse in coverage, so long as required payment is submitted and received prior to the current term's expiration date. Should a renewal payment be received after the current term's expirations date, the Contract will be subject to another thirty (30) day waiting period before a claim can be filed. In addition, should coverage lapse at any time, for any reason, CHW reserves the right to require an additional inspection of systems, appliances and components covered by the contract.
- 3. Types of Coverage:** *Service calls require a Trade Call deductible of \$75
Only one item per household is covered under the Terms & Conditions of this contract, unless explicitly stated and added as an additional item/appliance. Additional fees may apply.

Select Plan Coverage	Base Plan \$495	Base + Plan \$575	Elite Add-Ons Various
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Covered Unit	Base	Base +	Elite Add-On
AC & Heating Units			
AC Unit*		•	• (\$85)
Forced Air Heating Unit*	•		• (\$85)
Baseboard Heating*	•		
Tankless Water Heater*		•	
Water Heater	•		• (\$50)
Duct Work	•		
Plumbing			
Pipe Leaks*		•	
Drain Stoppages*	•		
Recirculation Pump		•	
Toilets	•		
Shower Valves		•	
Instant Hot Water	•		

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Dispenser	•		
Faucets		•	
Angle Stops	•		
Hose Bibbs		•	
Pressure Regulator Valve	•		
Sump Pump		•	
Jetted Bathtub			• (\$50)
Well Pump			• (\$100)
Sewage Ejector Pump			• (\$75)
Appliances			
Dish Washer		•	
Garbage Disposal	•		
Built-in Microwave		•	
Kitchen Exhaust Fan	•		
Trash Compactor		•	
Washer/Dryer (per set)		•	
Oven/Range/Cooktop		•	
Refrigerator/Freezer	•		
Freestanding Ice Maker/Freezer			• (\$50)
Water Softener			• (\$75)
Sub-zero Refrigerator			• (\$50)
Whole Home Vacuum			• (\$50)
Electrical			
Smoke/Co Detectors	•		
Panels/Sub-Panels		•	
Switches/Fuses		•	
Junction Boxes		•	
Circuit Breakers		•	
Ceiling/Exhaust Fan		•	
Garage Door Opener		•	
Solar Water Heater			• (\$50)
Solar Power			• (\$75)
Backup Generator			• (\$100)

- 4. Extras:** Extras are to be added at the time of the initial Home Warranty order, or a minimum of thirty (30) days prior to contract renewal. Extras must be inspected to be added to the contract.

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Customer Service

To request service, please call: (800)251-9677 or visit us at www.CornerstoneHomeWarranty.com to submit a claim.

1. For work to be covered under this contract, CHW must be notified upon discovery of the problem(s). CHW will accept calls and online claims 24/7.
2. After a claim has been filed, CHW will contact Bradley Electrical, Plumbing and Heating LLC within two (2) business days to get the claim scheduled for service.

Should a claim be filed:

- A. **Afterhours:** CHW will make contact with the Contract Holder the following business day, to schedule service. The deductible is due at the time of scheduling.
- B. **During a Weekend:** CHW will make contact with the Contract Holder within two (2) business days of the claim submission to schedule service. The deductible is due at the time of scheduling.
- C. **During a Holiday:** CHW will make contact with the Contract Holder within two (2) business days of the claim submission to schedule service. The deductible is due at the time of scheduling.
- D. **As an Emergency:** CHW will make contact with the Contract Holder as soon as possible to schedule service. An additional “emergency fee” will be applied to the standard deductible, due at time of scheduling. Situations that may qualify as an emergency include; no hot water, no heat and/or no electricity.

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Covered Items

This Contract only provides coverage for items listed as being covered on your Coverage Summary Page, that fail or otherwise become inoperative due to normal wear and tear. CHW agrees to repair or replace covered items to the extent outlined in the “Systems and Appliances” section of this Contract – terms and conditions apply.

This Contract covers only **mechanical failure** relating to the normal operation of **domestic-grade** systems and appliances that existed in the home, in **safe and proper operating condition** and were inspected by CHW or Bradley Electrical, Plumbing and Heating during the time of the final inspection. For the purpose of this contract, “**mechanical failure**” is defined as a situation in which a unit or system becomes inoperable or unable to perform its intended function. “**Domestic-grade**” is defined as items that are manufactured and marketed specifically for the installation and use in a residential, family dwelling.

Items covered under this Contract will be considered in safe and proper operating condition once the final inspection has been completed and the items have been found to be fully and correctly connected, capable of successfully performing all operations according to the manufacturer’s original design intention and specification and not posing any risk to life or property. A **Final Inspection** will be performed prior to the conclusion of the contracted thirty (30) day waiting period, by a CHW or Bradley Electrical, Plumbing and Heating representative. During the course of the final inspection, the designated representative will inspect and approve or deny coverage of each item based on the contracted terms and conditions.

Any and all items covered under this Contract that requires permitting by local municipalities, must be correctly permitted according to local laws and regulations prior to a final inspection. CHW may be able to address any permitting issues at their discretion.

End of Unit Life Split: If a covered item is 15+ years old from time of production, has been maintained according to manufacturer’s specifications and has suffered from a **catastrophic failure**, CHW will cover 60% of the total cost of repair or replacement. The Contract Holder is responsible for the remaining 40% of total costs. In the event of a catastrophic failure, CHW maintains the right to acquire up to three (3) bids from local licensed contractors in the appropriate trades, to determine an accurate and fair cost for the item. Terms, conditions and limitations apply.

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Systems & Appliances

Items listed as “not covered” are not meant to be all-inclusive. They do not limit our right to decline coverage for items not specifically mentioned and should in no way be considered an expansion of coverage.

Base and Base + Plan Coverage (a “+” denotes items restricted to the Base + plan)

Plumbing System

Coverage

- Garbage Disposal
- Instant Hot Water
- Repair of accessible leaks and breaks in water, waste, vent or gas lines within the perimeter of the main foundation of the home or garage +
- Shower/Tub Valves/Diverter to be replaced with chrome builder’s standard+
- Angle Stops
- Gate Valves
- Waste and Stop Valves
- Toilet Fill and Flush Valve Mechanisms, Tanks, Bowls and moving parts
- Toilets to be replaced with white builder’s standard
- Wax Ring Seals
- Pressure Regulators
- Fixtures and Faucets+
- Hose Bibbs+
- Sump Pump+

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Not Covered

- Shower Heads
- Bathtubs
- Shower enclosure and base pans
- Well Pump **Elite Add-on**
- Toilet Seats and Lids
- Water Softeners
- Saunas
- Bidets
- Indoor or Outdoor Sprinkler Systems
- Conditions of Electrolysis
- Shower Arms
- Sinks
- Caulking and Grouting
- Sewage Ejector Pumps **Elite Add-on**
- Septic Tanks
- Flow Restrictions in Fresh Water Lines
- Steam Rooms
- Whirlpool Bathtub Plumbing **Elite Add-on**
- Booster Pumps

Plumbing System Limits

Access, diagnosis and repair of concrete encase or otherwise inaccessible plumbing lines is limited to \$1,000.00 total, per contract term. CHW will cover access through unobstructed walls, ceilings, floors, concrete slabs and the like. CHW will return all openings made for the purpose of access to a rough finish only, subject to the previously stated limit. CHW is not responsible for trim, texture paint, wallpaper, tile, carpet or the like.

Plumbing Stoppages

Coverage

Clearing of any sewer/main line stoppages with a standard drain cable up to one hundred (100) feet from a point of access at an existing ground level cleanout.

Not Covered

Stoppages and/or collapse of water, drain or gas lines caused by roots or foreign objects. Costs to locate, access or install ground level or drain line cleanouts. CHW does not cover any additional charges for gaining access through a toilet or vent.

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Heating System

Coverage

All parts and components that affect the operation of the following heating systems:

- Forced Air
- Built-in Floor and Wall Heaters
- Hot Water or Steam Circulating Heating Systems
- heat Pumps
- Package Units
- Mini-Splits
- Electric Baseboard
- Room Heaters

If CHW determines that the replacement of a heat pump split system type of condensing unit is required, CHW will replace it with a unit that meets federally mandated SEER and HSPF requirements. This includes the replacement of any covered components that are necessary to maintain compatibility with the replacement unit, such as:

- Air Handler
- Evaporative Coil
- Transition
- Plenum(s)
- Indoor Electrical
- Dust Connection
- Accessible Refrigerant and Drain Lines
- Thermostatic Expansion Valve

CHW will pay for costs associated with the use of cranes and other lifting equipment required to repair or replace roof-top heating units.

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Not Covered

- Solar Heating Systems
- Glycol Systems
- Timers
- Fireplaces
- Chimneys
- Vents
- Cable Heat
- General Maintenance and Cleaning
- Outside or Underground Piping and components for Geothermal and/or water source heat pumps
- Well Pump and Well Pump components for geothermal and/or water source heat pumps
- Inaccessible refrigerant and condensate drain lines
- Humidifiers, Dehumidifiers and Electronic Air Cleaners
- Improper use of metering devices
- Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications, unless otherwise noted in this contract
- Zone Control and related components of forced air systems
- Geothermal Systems
- Portable and Freestanding Systems
- Fuel and Water Storage Tanks
- Wood, Pellet or Gas Stoves
- Flues
- Fireplace Inserts and Key Valves
- Clocks
- Extra FAU/s **Elite Add-on**

Heating System Limits

The access, diagnosis, repair and replacement of any water heater/heating combination unit, hot water heating system or steam circulating heating system/s is limited to \$1,000.00 total per system or unit per contract term.

For a heating system to be covered, it must be designed for residential use and be the primary source of heat for the home; not to exceed 5-ton capacity. If coverage is desired for more than one FAU, then each additional FAU may be included as an "Elite Add-on"

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Air Conditioning/Evaporative Cooler ⁺

Coverage

All parts and components that affect the operation of the following Air Condition systems:

- Ducted Central Electric Split and Package Units
- Evaporative Coolers
- Wall Air Conditioners
- Mini-splits

If CHW determines that the replacement of a condensing unit is required, CHW will replace with a unit that meets federally mandated SEER and HSPF requirements. This includes the replacement of any covered components that are necessary to maintain compatibility with the replacement unit, such as:

- Indoor Furnace or Air Handley
- Evaporative Coil
- Transition
- Plenum(s)
- Indoor Electrical
- Dust Connection
- Accessible Refrigerant and Drain Lines
- Thermostatic Expansion Valve

CHW will pay for costs associated with the use of cranes and other lifting equipment required to repair or replace roof-top air conditioner/evaporative cooler units.

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Not Covered

- Humidifiers
- Dehumidifiers and Electronic Air Cleaners
- Inaccessible Refrigerant and Condensate Drain Lines
- Gas or Propane Air Conditioners
- Water Towers
- Chillers
- General Maintenance and Cleaning
- Improper use of metering devices
- Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications, unless otherwise noted in this contract
- Zone Control and related components of forced air systems

Air Conditioning/Evaporative Cooler Limits

Must be designed for residential application and cannot exceed a 5-ton capacity

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Ductwork

Coverage

Accessible and inaccessible ducts from heating and/or cooling unit to connection at register or grill

Not Covered

- Registers
- Insulation
- Collapsed or Crushed Ductwork
- Ductwork damaged by moisture
- Costs for inspections, diagnostic testing, verification and permits as required by any federal, state or local law, regulation or ordinance, one control and related components of forced air systems, damage due to wildlife/pests/domestic animals/etc.
- Grills
- Improperly Sized Ductwork
- Duct where asbestos is present

Ductwork Limits

Access, diagnosis, repair or replacement of the ductwork is limited to \$700.00 total, per contract term

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Water Heater

Coverage

All parts and components that affect operation (including tankless water heaters⁺), lowboy units and recirculation pumps⁺. CHW will replace with a unit that meets federally mandated energy efficiency requirements.

Not Covered

- Solar Panels and/or Components **Elite Add-on**
- Holding Tanks
- Underground Piping
- Flues and Vents

Water Heater Limits

Access, diagnosis, repair or replacement of any water heater/heating combination unit, water heating system or steam circulating heating system(s) is limited to \$1,000.00 total per system or unit per contract term.

For a water heater to be covered it must be gas or electric and must be the main water heating source for the residence. If coverage is desired for more than one water heater, then each additional water heater may be included as an "Elite Add-on".

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Electrical System/Doorbell/Smoke Detectors

Coverage

- Smoke/CO Detectors
- Main Panel/Sub Panels⁺
- Switches/Fuses⁺
- Junction Boxes⁺
- Circuit Breakers⁺
- Ceiling/Exhaust Fans⁺
- Garage Door Opener⁺

Not Covered

- Fixtures
- Inadequate Wiring Capacity
- Low Voltage Wiring
- Lights
- Backup Generation Elite Add-on
- Alarms/Intercoms and Circuits
- Power Failure or Surge
- Direct Current Wiring or Components
- Solar Power Elite Add-on
- Whole Home Vacuum Elite Add-on

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Kitchen Appliances

Covered

All parts and components that affect the operation of:

- Refrigerator/Freezer
- Kitchen Exhaust Fan
- Dishwasher⁺
- Built-in Microwave⁺
- Trash Compactor⁺
- Oven/Range/Cooktop⁺

Not Covered

- Shelves
- Light Kits
- Portable or Countertop Unit of any type
- Water Softener **Elite Add-on**
- Meat Probe Assemblies
- Indoor Barbeques
- Free Standing Ice Maker/Freezer **Elite Add-on**
- Sub-zero Refrigerator **Elite Add-on**

Kitchen Appliances Limits

Sensi-heat burners will be replaced with standard burners

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Additional Coverage Options (Elite Add-ons)

Sub-zero Refrigeration

Covered

CHW will pay for the repair or replacement of components and parts that malfunction due to normal wear and tear.

Not Covered

- Food Spoilage
- Shelves
- Interior Thermal Shells
- Removable Accessories
- Racks
- Drawers
- Noise
- Components Related to any Multi-media

Sub-zero Refrigeration Limits

CHW will pay up to \$1,000.00 for access, diagnosis, repair or replacement of one covered sub-zero refrigeration unit per contract term.

If coverage is desired for more than sub-zero refrigeration unit, then each additional unit may be included with additional charges.

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Jetted Bathtub

Covered

CHW will pay for the cost of repair or replacement for the following components that have failed due to normal wear and tear.

- Accessible Electrical Controls
- Accessible Plumbing Lines
- Air Pumps
- Drains
- Gaskets
- Primary Circulation Pump
- Motor

Not Covered

- Bathtub Shell
- Failure due to Dry Operation
- Tiles and Marble
- Tub Enclosure
- Caulking and Grout
- Gaining Access to Piping
- Noise

Jetted Bathtub Limits

CHW will pay up to \$750 for access, diagnosis, repair or replacement of covered components of a jetted bathtub per contract term.

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Well Pump

Covered

CHW will pay for the cost to repair or replace components and parts that fail due to normal wear and tear of a well pump, being utilized as the main source of water to the home.

Not Covered

- Joint Wells
- Pressure Tanks
- Damage due to Low Water Table
- Above or Underground Piping
- Well Casings
- Re-drilling of Wells
- Cable or Electrical Lines Leading to, from or within the Well Pump
- Well Pump and Components for Geothermal and/or Water Source Heat Pump
- Excavation or other charges necessary to gain access to remove or replace well pump system
- Systems used partially or wholly for irrigation or agriculture purposes
- Holding or Storage Tanks
- Failure Attributed to Well Impurity
- Contamination or Lack of Water
- Holding
- Pressure Switches not located on the Pump
- Booster Pumps

Well Pump Limits

CHW will pay up to \$1,000.00 for access, diagnosis, repair or replacement of covered well pump components per contract term.

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Sewage Ejector Pump

Covered

All parts and components that affect operation

Not Covered

Basins and any costs associated with locating or gaining access to or closing access from the sewage ejector pump

Sewage Ejector Pump Limits

CHW will pay up to \$500 for access, diagnosis, repair or replacement of covered sewage ejector pump, including returning access openings to a rough finish per contract term. Coverage is limited to one (1) sewage pump per contract.

Solar Water Heater

Covered

- Pumps
- Valves
- Controls

Not Covered

- Panels on Roof
- Ground Mount System

Solar Water Heater Limits

CHW will pay up to \$1,000.00 for repairs, pumps, valves and controls per contract term.

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Back-up Generator

Covered

Any and all components

Not Covered

- Software Upgrades
- Manufacturer Recalls
- Automatic Transfer Switches

Back-up Generator Limits

CHW will pay up to \$1,000.00 for repairs, pumps, valves and controls per contract term

Water Softener

Covered

CHW will pay for the cost of repair or replacement of components and parts that malfunction due to normal wear and tear of basic single and twin water softener units, including central head assembly as well as piping to and from unit(s) and system tanks.

Not Covered

- Discharge Drywells
- Resin Bed Replacement
- Noise
- Failures due to mineral and/or sediment
- Failure due to excessive water pressure or freeze damage
- Salt

Water Softener Limits

CHW will pay up to \$650 for access, diagnosis, repair or replacement of a covered water softener per contract term.

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Terms of Coverage

1. When repair or replacement services covered by this Contract are required, you must contact CHW customer service representatives. Either by making a claim online 24 hours a day at www.CornerStoneHomeWarranty.com or by calling (800)251-9677. CHW's customer service representatives are available 8:00am to 5:00pm PST. Emergency and after hour charges may apply. You must notify CHW immediately upon the discovery of the failure of a covered item while the contract is in effect. All repair and/or replacement work covered by this Contract must be performed by Bradley Electrical, Plumbing and Heating, or an approved contractor, approved in advance by CHW. Any and all unauthorized work done without prior approval from CHW, will not be covered by this Contract. Any incurred cost or subsequent damage that may have occurred or have been caused by an unauthorized service contractor will be assumed by you.
2. CHW has sole authority to select and approve authorized contractors other than Bradley Electrical, Plumbing and Heating. Should Bradley Electrical, Plumbing and Heating not be available, CHW will provide the Contract Holder with a referral to an authorized contractor. If a service request is submitted during business hours, CHW will make a good faith effort to provide the Contract Holder with a referral to an approved service contractor within twelve (12) hours of the service request. If a service request is submitted after business hours, CHW will make a good faith effort to provide the Contract Holder with a referral to an approved service contractor within twenty-four (24) to forty-eight (48) hours of the service request. In situation where Bradley Electrical, Plumbing and Heating is not available, CHW may authorize repairs to be done as "customer reimbursement". For customer reimbursement, the Contract Holder will pay out-of-pocket for the approved repairs and submit the corresponding invoice to CHW within thirty (30) days for reimbursement of the covered costs. Repairs are to be scheduled during normal business hours, unless emergency services apply, and the Contract Holder approves the additional fees associated with emergency/after hour rates. Any and all claim repairs must be approved by a CHW claims agent prior to being made. Only the amount covered/authorized will be reimbursed by CHW.

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3. This Contract includes a deductible charge referred to as a “trade service call fee”, that will be stated on your Contract Coverage Summary Page. The Contract Holder is responsible for the trade service call fee for each repair or replacement. For the purpose of this contract, a “repair” is defined as the necessary work performed to remedy a single covered failure for the equipment and components listed as covered on the Contract Coverage Summary Page. A service call includes, without limitation, the act of inspecting, diagnosing and performing any service for the repair or replacement of a failing item. The Contract Holder will be responsible for and will pay the authorized contractor or CHW for the service call, work performed and/or items installed up to the cost of the deductible at the time of service. Any amounts due for parts or services, that are not covered under the terms, conditions, provisions and limitations are the responsibility of the Contract Holder and shall be paid directly to the service provider or CHW. If it is determined by a CHW agent that the failure is not covered under this Contract, the Contract Holder will be responsible for any and all costs charged by the service provider including but not limited to trip, diagnostic, repair or replacement charges. This includes any amount in excess of the deductible. CHW will provide no additional service if a prior deductible is left unpaid.

4. The Contract Holder agrees to make the covered premises available during normal business hours to the authorized contractor to perform the requested repairs. The Contract Holder agrees to pay our authorized contractor, Bradley Electrical, Plumbing and Heating, any service charge and additional charge(s) incurred resulting from failure to provide access and/or missing a scheduled appointment. These charges may be in excess of the deductible. CHW requires that someone eighteen (18) years or older provide access during normal business hours for repairs to be made.

5. CHW reserves the exclusive right to determine between providing pre-approved reimbursement of itemized costs or payment back in lieu of repair or replacement of the covered system or appliance. The amount of such payment shall be equal to the approved cost of repair or the estimated cost of replacement minus the deductible. This amount will be determined by CHW based on what CHW would have spent on the repair or replacement of the item in question (which may be less than retail or at cost). The age of the covered system or appliance applies when determining depreciation value for pre-approved reimbursement of itemized costs, or payment back in lieu of repair or replacement of the covered system or appliance. Acceptable proof of your actual itemized documentation supporting that the item in question has been repaired, purchased or replaced, must be presented to CHW prior to receiving reimbursement.

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CHW is not liable to match specific features, dimensions, color or brand name. Once CHW provides reimbursement, coverage of that item will be fulfilled for the remainder of the contract term. In situations where parts are not readily available, CHW's obligation is limited to cash, in lieu of the repair or replacement, for the cost of the repair or the remainder of limits set forth in the section "Systems and Appliances" for each covered system and appliance, whichever amount is lower.

***Please note that all pre-approved reimbursement of itemized costs or payment back in lieu of repair is subject to the limitations set forth in the "Systems and Appliances" section of this Contract.**

6. CHW is not responsible for payment of any costs in excess of the limitations set forth in the "Systems and Appliances" section for each covered item.

7. CHW reserves the right to replace a covered item rather than repair it. The decision to replace rather than repair a covered system or appliance will be solely at the discretion of CHW. The age of a covered item applies when determining the depreciated value for the replacement of a covered item. Should CHW choose to replace an item, the replacement will be the base model that meets all applicable federally mandated minimal manufacturers' standards, will perform the same primary function and have a capacity comparable to the covered item, when available with a domestically assembled unit. Regarding covered appliances, CHW will make reasonable efforts to provide replacement items of similar mechanical capabilities and/or efficiency of the original unit, when available. CHW is not responsible for a like-for-like replacement of appliances. If the appliance contains any features that do not contribute to the unit's primary function, including, without limitation, screens or radios in refrigerators. CHW is not liable to provide an exact match in dye, lot, type or brand. In the event CHW replaces a stainless-steel appliance, CHW will match the product with a comparable stainless-steel appliance, if available. When replacing systems or appliances, CHW will not be responsible for the installation of the replacement item or the cost of the construction, modification, carpentry or transitional work made necessary in order to accommodate the replacement, nor any costs to upgrade or modify items for any reason. Once a covered system has been replaced, the portion of coverage has been fulfilled for the remainder of the contract term and subsequent renewals.

***Please note that all replacements are subject to the limitations set forth in the "Systems and Appliances" section.**

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8. CHW reserves the right to obtain, at our expense, a second opinion by an authorized service contractor prior to determining eligibility for coverage.

Cancellation, Voidability & Eligibility

1. This is a maintenance Contract for repair, replacement or partial replacement of covered items listed under the "Systems and Appliances" section of this Contract and are stated as covered on your Contract Coverage Summary Page. This is not a contract of insurance, residential service, warranty, extended warranty or implied warranty.
2. You may cancel this contract within the first thirty (30) days following the date you ordered this contract for any reason and shall be entitled to a refund of the paid contract fees, minus any service costs that were incurred by CHW, and an administrative fee of up to \$45(where permitted by law). If you request to cancel after the thirtieth day, you shall be entitled to a pro-rated refund of the paid contract fees for the unexpired term, minus any service costs that were incurred by CHW, and an administrative fee of up to \$45(where permitted by law).
 - 2.1. This Contract may be cancelled by CHW for the following reasons:
 - A) Non-payment of contract fees
 - B) Mutual agreement between CHW and the Contract Holder
 - C) Fraud or misrepresentation by the Contract Holder and/or their representative, of facts of material to CHW's issuance of this contract
 - D) If the Contract Holder and/or any representative either threatens to harm or actually harms the safety or well-being of CHW, any employee of CHW, a service contractor or any property of CHW or of the service contractor.
 - E) A change in laws or regulation that has a material effect on the business of CHW or CHW's ability to fulfill its obligations under this contract.
 - F) CHW may cancel this contract at any time within the first thirty (30) days following the effective date of the contract without reason. If CHW cancels this contract within the first thirty (30) days the Contract Holder will not be charged an administrative fee. The Contract Holder will be entitled to a refund of the paid contract fees minus any service costs that were incurred by CHW. If CHW cancels this contract after the thirtieth day from the contract effective date, the Contract Holder shall be entitled to a pro-rated refund of the paid contract fees minus any

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service costs that were incurred by CHW, and an administrative fee of up to \$45(where permitted by law).

- 2.2. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged immediately by calling (800)251-9677 to establish an alternate payment method. This contract will be deemed cancelled if the Contract Holder fails to establish a new payment method within thirty (30) days.
3. In the event that a real estate listing agreement is cancelled or expires while your home is covered by a Seller Home Warranty, you agree to pay CHW the applicable Buyer Conversion Warranty fee at the time the real estate listing agreement is cancelled or at the time the real estate listing agreement expires, whichever occurs earlier. In the event that a home which was covered under the Seller Home Warranty during the listing period is sold, regardless of whether a claim is paid under the contract, the Seller will be liable to CHW for the applicable Buyer Conversion Warranty fee.
4. This Contract covers a single-family residence (under 5,000 square feet), including a condominium, townhouse, villa or a multi-family property of two (2) to four (4) units (duplex, triplex or quadplex) used solely for residential purposes. An appropriate fee for each type of property must be paid for coverage to be valid. Any dwelling used in whole or in part for unrelated individuals cohabitating in same household, rest home, church or school will not be covered. Whether or not this contract covers a condominium unit, mobile home, manufactured home or any multifamily dwelling (e.g., duplex, triplex or quadplex). Any repairs and/or replacements will be limited to the items solely used by located and serviceable within such single unit (unless otherwise specified). No common areas items or items shared by non-warranted units will be covered by this Contract. Single-family residences over 5,000 square feet require an additional square footage plan and fee.
5. Multi-family properties are eligible for the Seller Home Warranty; however, coverage is restricted to the owner-occupied unit only. All other tenant occupied units are not covered under the Seller Home Warranty. If coverage is provided on tenant occupied units under the Buyer Conversion Warranty, Buyer Direct Warranty and/or Homeowner Direct Warranty, the Contract Holder is responsible to report the claim and pay the trade service call fee.

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Limits of Liability

1. This Contract provides coverage for the mechanical failure of only those items listed as covered on your Contract Coverage Summary Page.

2. This Contract does not cover system replacements necessitated due to missing or illegible model and/or serial numbers. In such situations CHW will issue payment equal to the industry standard for the required repairs.

3. This Contract does not cover failures which may result from other causes, such as, without limitation

- Abuse or Misuse
- Failure to Clean
- Impact Damage
- Missing Parts
- Casualty
- Brownouts
- Flood
- Freeze Damage
- Water Damage
- Storms
- Nuclear Explosion
- Insurrection
- Intentional Destruction of Property
- Improper Installation
- Neglect
- Physical Damage
- Casualty
- Power Outages
- Structural Changes
- Smoke
- Fire
- Mud
- Accidents
- Acts of Terror
- Riots
- Improper or Insufficient Maintenance
- Debris
- Lightning Strikes
- Animal, Pet and/or Pest Damage
- Power Spikes
- Structural and/or Property Damage
- Earthquakes
- Electrical Failure or Surge
- Soil Movement
- War
- Radiation or Radioactive Contamination
- Vandalism
- Failure due to excessive or inadequate water pressure

4. CHW is not responsible or liable for repairs related to inadequacy, lack of capacity, misuse, improper installation, previous repair or design, manufacturer's defect and any modification to the performing and providing routine maintenance and cleaning on

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covered items as specified by the manufacturer to ensure continued coverage on such items.

5. CHW is not responsible or liable for repair of conditions or replacement caused by chemical or sedimentary build up.

6. Items are not covered if they are mismatched systems including but not limited to:
 - Systems with incompatible components with different capacity ratings, or different manufacturer brands.
 - Modified from the original manufacturer design, application or intention.
 - Under factory recall due to manufacturer defect or class action lawsuit.
 - Improperly installed or located outside the perimeter of the main foundation or below the slab, basement floor or the lowest floor of the home

7. This Contract does not cover upgrading or making modifications to items due, but not limited to:
 - Capacity
 - Dimensional or design change
 - Conditions of insufficient or excessive water pressure
 - Condition of inadequate wiring capacity
 - Circuit Overload
 - Power Failure and/or Surge
 - Failure to meet building code(s)
 - Zoning Requirements
 - Utility Regulations
 - Failure to comply with local, state or federal regulations

If a system or appliance is determined to be undersized, overloaded or otherwise inadequate, repair or replacement of the malfunctioning system, appliance or component is not covered by this contract.

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8. CHW is not responsible or liable for components, parts or equipment required due to:

- The incompatibility of the existing equipment with the replacement system, appliance or component
- Any new type of chemical or material utilized to run the replacement equipment including but not limited to, differences in technology, refrigerant requirements or efficiency as mandated by federal, state or local governments.

CHW is not responsible or liable for the cost of construction, carpentry or other modifications made necessary by the existing equipment or installing different equipment.

9. CHW is not under any circumstances liable for the diagnosis, repair, removal or remediation of mold, mildew, termite damage, bio-organic growth, rot, fungus or any damages resulting from or related to mold, mildew, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance.

10. CHW reserves the right to rebuild a part or component, or replace with a rebuilt part or component.

11. This Contract does not cover repair or replacement of systems, appliances or components classified by the manufacturer as commercial-grade.

12. CHW will not contract to perform service nor pay costs involving hazardous or toxic materials including, but not limited to asbestos, mold, lead paint and sanitation of sewage spills.

13. This Contract does not cover excavation or other charges associated with gaining access to the well pump or electronic computerized energy management systems or devices, or lighting and/or appliance management systems.

14. CHW is not responsible for electronic or computerized home management systems including, but not limited to, energy, lighting, security, appliances, entertainment, comfort or audio systems.

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15. CHW is not liable for charges incurred to gain access to a system, appliance or component in situations where there is inadequate capacity or space for serviceability caused by, but not limited to, walls, floors, ceilings, permanently installed fixtures, cabinets, personal property, counter tops, tiling, paint or the like. In the event it is necessary to open walls, floors, ceiling or to move such fixtures, cabinets or personal property to perform a diagnosis or service, CHW is not responsible for restoring such openings, items or property. CHW is not responsible for the repair of any cosmetic defects or for reconfiguring space to accommodate replacement equipment when equipment of identical dimensions is not readily available.

16. CHW is not responsible for additional fees the contractor may charge related to traditional manpower or additional equipment required to repair or replace a system, appliance or component on a roof, in an attic or in any other area not readily accessible.

17. CHW is not responsible or liable for delays or failures caused by or related to any of the following exclusions

- Shortages of labor and/or materials and parts
- Delays in shipping or delivery of parts
- Any other cause beyond our reasonable control

CHW is not liable for additional charges to access or transport materials, supplies or authorized contractors to the covered property due to lack of, or inhibited serviceability such as, but not limited to, required use of ferries or barges and/or remote locations.

18. CHW is not responsible for damage that results from an authorized contractor's service or delay in service. CHW is not responsible for incidental and/or consequential loss or damages resulting from the mechanical failure on any item including, without limitation, food spoilage, loss of income, additional living expenses and/or property damage.

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19. Should any item covered by this Contract be covered by insurance, warranties or guarantees, including but not limited to a manufacturer's, contractor's, builder's or in-home warranty. CHW is not liable for repairs or replacements covered by such insurance, warranties or guarantees. If a claim covered by this Contract is also covered by an insurance policy, warranty, service contract or manufacturer's recall, CHW shall pay only for the amount of the cost to repair or replace such covered system, appliance or component in excess of the amount due from that other insurance, warranty, service contract or manufacturer's recall (subject to the limitations in the section "Systems and Appliances"). CHW's insurance is secondary to such insurance, warranties or guarantees.

20. Subject to the specific limitations listed in the "Systems and Appliances" section, all limitations are minus the deductible charge referred to as a "Trade Service Call Fee". Our liability does not exceed \$1,500.00 per claim. For Base Plan Coverage our liability does not exceed \$1,500.00 in total per Contract Term. For Base Plus Plan Coverage our liability does not exceed \$3,000.00 in total per Contract term. If the Contract Holder authorizes or performs any improper alterations, installations, repairs or improperly modify any system, appliance or component covered by this Contract or damage it in the course of remodeling or repair, CHW will no longer be obligated to cover such item(s).

21. Consumable items, unless specifically listed as covered are not covered. For the purposes of this Contract, consumable items are defined as any part that is considered consumable by the manufacturer and/or any item that is designed to be consumed during the life of the appliance or system, regardless if it is consumer replaceable or not. Consumable items include but are not limited to, light bulbs, batteries and gasses.

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Miscellaneous

1. **Obligations:** Obligations of the provider under this service contract are backed by the full faith and credit of the provider.
2. **Renewal:** CHW may, in its sole discretion, elect to renew this contract for a one-year contract term. In the event that CHW elects to renew the contract, the Contract Holder will be notified and the contract will be automatically renewed and the payment method on file will be charged applicable contract fees. Should there be any updates or changes to the terms and conditions of this home warranty contract, the Contract Holder will be notified, and the changes will take effect upon renewal of the current contract. If payment for this contract is received by CHW within thirty (30) days of the expiration date of the prior year's term, coverage will continue with the previously established "effective date" and will continue for 365 days from that date. If payment is received later than thirty (30) days after the expiration date of the prior year's term, coverage will begin on the date determined by CHW and will continue for 365 days from that date.
3. **Assignment:** In the event of assignment or transfer of title of the covered property, This Contract may be assigned and/or transferred once at the discretion of CHW, free of charge during the current contract term.
4. **Installment Billing:** In certain cases, the Contract Holder may be permitted, at the discretion of CHW, to pay for the contract coverage on an installment basis. Should there be failure of a covered item, while there are unpaid installments due or overdue, CHW may require payment of the entire remaining unpaid balance prior to covering the repair or replacement, as CHW deems necessary or desirable.
5. **Waiver:** Should CHW waive any of our contractual right(s), such waiver will not constitute a future waiver of said right(s).

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6. **Contract Issuance:** CHW reserves the right to refuse the issuance of a contract prior to the contract effective date without reason and issue a refund of paid contract fees.
7. **Disclosure:** The price of the contract includes the full amount of all fees due and payable a well as the costs of processing and administration for CHW, the issuing company and its agents where allowable by law. Any applicable state or local sales taxes are in addition to the price of the contract.
8. **Reinstatement:** Should the policy renewal be paid after the expiration date, there will be a one-time reinstatement fee of \$25.
9. **One-time Policy:** Processing fee of \$25 at initial order of the contract, not to be charged for further renewals unless the contract expires and needs to be reinstated.
10. **Contact Policy:** CHW reserves the right to use the Contract Holder's contact information for business functions and to make contact when necessary. CHW may use existing contact information to notify the Contract holder of new services, products and promotions. CHW will not sell, lease or rent the Contract Holder's information to any third parties.
11. **Arbitration:** By signing this Contract, the Contract Holder agrees and acknowledges that all disputes involving CHW or arising from actions that CHW did or did not take, shall be arbitrated as described in this section as long as the claim exceeds the applicable small claims court jurisdiction limit. The Contract Holder also agrees that they are giving up their right to a trial by jury, and the right to participate in any class action, private attorney general action or other representative or consolidated action, including any class arbitration or consolidated arbitration.

The arbitration must be conducted by the American Arbitration Association according to its rules for consumer disputes. The AAA rules and forms can be located at www.adr.org, or by calling (800)778-7879. CHW agrees to pay the initial filing fee if the customer cannot afford to pay the fee or to reimburse the customer for filing fees unless the arbitrator determines that the claim is frivolous.

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